

AGENDA**ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES****ASSEMBLYMEMBER ELOISE GÓMEZ REYES, ACTING CHAIR****WEDNESDAY, APRIL 10, 2019
2:30 P.M. – STATE CAPITOL, ROOM 444****(PLEASE CONSULT THE DAILY FILE FOR ANY POSSIBLE CHANGES.)**

ITEMS TO BE HEARD		
ITEM	DESCRIPTION	PAGE
5180	DEPARTMENT OF SOCIAL SERVICES	6
4260	DEPARTMENT OF HEALTH CARE SERVICES	
ISSUE 1	CONTINUUM OF CARE REFORM (CCR) IMPLEMENTATION - PROGRAM & BUDGET REVIEW, INCLUDING GOVERNOR'S BUDGET CHANGE PROPOSALS, AND ASSOCIATED ADVOCACY PROPOSALS: A. FAMILY STABILITY FUND (CURRENTLY KNOWN AS FOSTER PARENT RECRUITMENT, RETENTION, AND SUPPORT FUNDING) B. FAMILY URGENT RESPONSE SYSTEM (FURS) C. CONTINUED EMERGENCY CAREGIVER FUNDING AT TIME OF PLACEMENT D. RESOURCE FAMILY APPROVAL AND CANS ASSESSMENTS E. TRANSPORTATION TO SCHOOL OF ORIGIN AT TIME OF PLACEMENT	6
5180	DEPARTMENT OF SOCIAL SERVICES	25
ISSUE 2	REDUCE HOMELESSNESS AMONG FORMER FOSTER YOUTH ADVOCACY PROPOSAL	25
ISSUE 3	PROMOTING HOUSING STABILITY FOR TRANSITION AGE YOUTH ADVOCACY PROPOSAL	26
ISSUE 4	ELIMINATING BARRIERS TO ENTER AND RE-ENTER EXTENDED FOSTER CARE ADVOCACY PROPOSAL	28

ISSUE 5	FOSTER YOUTH DEVELOPMENT AND DIVERSION ADVOCACY PROPOSAL	30
ISSUE 6	ADDRESSING THE IMPACT OF MANDATED STATE MINIMUM WAGE INCREASE FOR FOSTER FAMILY AGENCIES ADVOCACY PROPOSAL	31
ISSUE 7	CHILD WELFARE PUBLIC HEALTH NURSING EARLY INTERVENTION PILOT PROGRAM ADVOCACY PROPOSAL	32
ISSUE 8	CONTINUATION OF BRINGING FAMILIES HOME ADVOCACY PROPOSAL	33
ISSUE 9	CWS TRAINING AND WORKFORCE DEVELOPMENT ADVOCACY PROPOSAL	35

NON-DISCUSSION ITEMS

ITEM	DESCRIPTION	PAGE
5180	DEPARTMENT OF SOCIAL SERVICES	36
ISSUE 10	GOVERNOR'S BUDGET CHANGE PROPOSAL ON THE OFFICE OF FOSTER CARE OMBUDSPERSON FOSTER CHILD COMPLAINT INVESTIGATION	36
ISSUE 11	GOVERNOR'S BUDGET CHANGE PROPOSAL ON STATE-TRIBAL-COUNTY ENGAGEMENT AND INDIAN CHILD WELFARE ACT COMPLIANCE	37
ISSUE 12	CWS-RELATED HUMAN SERVICES TECHNICAL BCPs	39

LIST OF PANELISTS IN ORDER OF PRESENTATION

ITEMS TO BE HEARD

Please note that the approach for public comment will be announced at the outset of the hearing.

All panelists are asked to maintain remarks to under three minutes please.

5180 DEPARTMENT OF SOCIAL SERVICES

4260 DEPARTMENT OF HEALTH CARE SERVICES

ISSUE 1: CONTINUUM OF CARE REFORM (CCR) IMPLEMENTATION - PROGRAM & BUDGET REVIEW, INCLUDING GOVERNOR'S BUDGET CHANGE PROPOSALS, AND ASSOCIATED ADVOCACY REQUESTS

Continuum of Care Reform (CCR) Implementation - Program & Budget Review, Including Governor's Budget Change Proposals

- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Representative, Department of Health Care Services
- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Justin Freitas, Department of Finance (DOF)
- Ryan Millendez, Legislative Analyst's Office (LAO)

A. Family Stability Fund (currently known as Foster Parent Recruitment, Retention, and Support funding)

- Jennifer Rexroad, Executive Director, California Alliance of Caregivers
- Reaction and Feedback from the Administration, DOF, and LAO

B. Family Urgent Response System (FURS)

- Ken Berrick, Chief Executive Officer, Seneca Family of Agencies
- Reaction and Feedback from the Administration, DOF, and LAO

C. Continued Emergency Caregiver Funding at Time of Placement

- Susanna Kniffen, Senior Director, Child Welfare Policy, Children Now
- Reaction and Feedback from the Administration, DOF, and LAO

D. Resource Family Approval and CANS Assessments

- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Reaction and Feedback from the Administration, DOF, and LAO

E. Transportation to School of Origin at Time of Placement

- Kristin Power, Senior Policy Associate, Alliance for Children's Rights
- Naomi Watson, Sacramento County, Foster Youth
- Reaction and Feedback from the Administration, DOF, and LAO

5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE 2: REDUCE HOMELESSNESS AMONG FORMER FOSTER YOUTH ADVOCACY PROPOSAL**

- JT Tilson, Sacramento County, Foster Youth
- Amy Lemley, Executive Director, John Burton Advocates for Youth
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ISSUE 3: PROMOTING HOUSING STABILITY FOR TRANSITION AGE YOUTH ADVOCACY PROPOSAL

- Cathy Senderling-McDonald, Deputy Executive Director, County Welfare Directors Association of California
- Jaqareé Carson, Contra Costa County, Foster Youth
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ISSUE 4: ELIMINATING BARRIERS TO ENTER AND RE-ENTER EXTENDED FOSTER CARE ADVOCACY PROPOSAL

- Assemblymember Mike Gipson
- Meritsa Sedillo, Contra Costa County, Foster Youth
- Erin Palacios, Staff Attorney, Bay Area Legal Aid
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ISSUE 5: FOSTER YOUTH DEVELOPMENT AND DIVERSION ADVOCACY PROPOSAL

- Assemblymember Mike Gipson
- Anna Johnson, Senior Policy Associate, National Center for Youth Law
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ISSUE 6: ADDRESSING THE IMPACT OF MANDATED STATE MINIMUM WAGE INCREASE FOR FOSTER FAMILY AGENCIES ADVOCACY PROPOSAL

- David Danwing, Executive Director, Nuevo Amanecer Latino Children's Services
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ISSUE 7: CHILD WELFARE PUBLIC HEALTH NURSING EARLY INTERVENTION PILOT PROGRAM ADVOCACY PROPOSAL

- Markeitha Harris, Public Health Nurse, Los Angeles County, Service Employees International Union (SEIU), Local 721
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ISSUE 8: CONTINUATION OF BRINGING FAMILIES HOME ADVOCACY PROPOSAL

- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ISSUE 9: CWS TRAINING AND WORKFORCE DEVELOPMENT ADVOCACY PROPOSAL

- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

NON-DISCUSSION ITEMS

There are no panels for non-discussion items, but the Chair will ask if there is any public comment for these items.

If a Member of the Subcommittee wishes for a fuller discussion on any of these issues, please inform the Subcommittee staff and the Chair's office as soon as possible. Thank you.

ITEMS TO BE HEARD

5180 DEPARTMENT OF SOCIAL SERVICES

4260 DEPARTMENT OF HEALTH CARE SERVICES

ISSUE 1: CONTINUUM OF CARE REFORM (CCR) IMPLEMENTATION - PROGRAM & BUDGET REVIEW, INCLUDING GOVERNOR'S BUDGET CHANGE PROPOSALS, AND ASSOCIATED ADVOCACY REQUESTS

PANEL

Continuum of Care Reform (CCR) Implementation - Program & Budget Review, Including Governor's Budget Change Proposals

- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Representative, Department of Health Care Services
- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Justin Freitas, Department of Finance (DOF)
- Ryan Millendez, Legislative Analyst's Office (LAO)

A. Family Stability Fund (currently known as Foster Parent Recruitment, Retention, and Support funding)

- Jennifer Rexroad, Executive Director, California Alliance of Caregivers
- Reaction and Feedback from the Administration, DOF, and LAO

B. Family Urgent Response System (FURS)

- Ken Berrick, Chief Executive Officer, Seneca Family of Agencies
- Reaction and Feedback from the Administration, DOF, and LAO

C. Continued Emergency Caregiver Funding at Time of Placement

- Susanna Kniffen, Senior Director, Child Welfare Policy, Children Now
- Reaction and Feedback from the Administration, DOF, and LAO

D. Resource Family Approval and CANS Assessments

- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Reaction and Feedback from the Administration, DOF, and LAO

E. Transportation to School of Origin at Time of Placement

- Kristin Power, Senior Policy Associate, Alliance for Children's Rights
- Naomi Watson, Sacramento County, Foster Youth
- Reaction and Feedback from the Administration, DOF, and LAO

BACKGROUND

Child Welfare Services and the Continuum of Care Reform (CCR). California's child welfare system serves to protect the state's children from abuse and neglect, often by providing temporary out-of-home placements for children who cannot safely remain in their home, and services to safely reunify children with their families. Beginning in 2012, the Legislature passed a series of legislation implementing the Continuum of Care Reform (CCR).

This Legislative package, which includes Chapter 35 of 2012 (SB 1013, Committee on Budget and Fiscal Review), Chapter 773 of 2015 (AB 403, Stone), Chapter 612 of 2016 (AB 1997, Stone), Chapter 732 of 2017 (AB 404, Stone), Chapter 35 of 2018 (AB 1811, Committee on Budget), and Chapter 935 of 2018 (SB 1083, Mitchell), makes fundamental changes to the way the state cares for children in the foster care system. CCR aims to increase the foster care system's reliance on family-like settings, rather than institutional settings such as group homes. Additionally, CCR makes changes to ensure that the state's foster children receive mental health and other supportive services, regardless of their placement setting. The state pays for the net costs of CCR, which include significant upfront costs for implementation.

The Governor's budget estimates 2018-19 General Fund spending on CCR at \$296 million. The 2019-20 Governor's Budget proposes \$271 million from the General Fund to continue facilitating the implementation of CCR. Estimated CCR spending in 2018-19 represents a significant increase over what was included in the 2018-19 budget for CCR. This is because delayed implementation progress has resulted in delayed realization of savings anticipated from reforms. The year-over-year decrease in CCR costs between 2018-19 and 2019-20 is primarily due to the expiration of some temporary state funding.

California's child welfare system provides an array of services for children who have experienced, or are at risk of experiencing, abuse or neglect. These child welfare services (CWS) include responding to and investigating allegations of abuse and neglect, providing family preservation services to help families remain intact, removing children who cannot safely remain in their home, and providing temporary out-of-home placements until: (1) the family can be successfully reunified; or, (2) an alternative permanent placement can be found. After family reunification, adoption and guardianship are the two most common permanent placement options.

DSS oversees CWS, while county welfare departments carry out day-to-day operations and services. DSS is responsible for statewide policy development and enforcing state and federal regulations. Counties have flexibility around the design of their operations and, to some extent, the range of services they provide. All counties investigate allegations of abuse, engage with families to help them remain intact, and provide foster care payments to foster caregivers and providers. Assisting the counties are several hundred private Foster Family Agencies (FFAs)

and congregate care providers that administer services ranging from basic care and supervision to foster parent recruitment to mental health treatment.

County probation departments carry out many of the same services provided by county welfare departments but for children who have been declared wards of the court through a delinquency hearing. Unlike the majority of children who enter the child welfare system, children in out-of-home care, due to probation decisions, have not necessarily been subject to abuse or neglect. Instead, probation departments often utilize foster care placements with the aim of rehabilitating the child following a criminal offense.

CWS Funding. Total funding for CWS is projected to be \$6.3 billion for 2019-20. Until 2011-12, the state General Fund and counties shared significant portions of the nonfederal costs of administering CWS. In 2011, the state enacted legislation known as 2011 realignment, which dedicated a portion of the state's sales tax to counties to administer CWS. The 2019-20 Budget projects that more than \$2.8 billion will be available from realignment revenues to fund CWS programs in 2019-20.

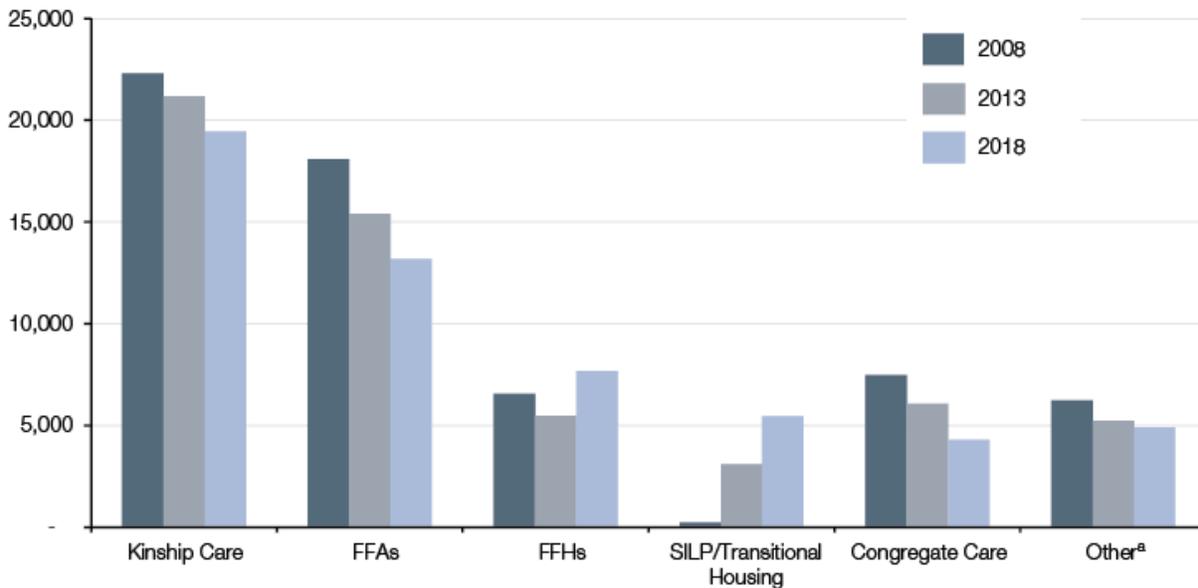
As a result of Proposition 30 (2012), under 2011 realignment, counties are either not responsible or only partially responsible for CWS programmatic cost increases resulting from federal, state, and judicial policy changes. Proposition 30 protects counties by establishing that counties only need to implement new state policies that increase overall program costs to the extent that the state provides the funding. Counties are, however, responsible for all other increases in CWS costs—for example, those associated with rising caseloads. Conversely, if overall CWS costs fall, counties get to retain those savings. On the other hand, Proposition 30 also serves to protect the state by freeing it of the responsibility to reimburse counties for increasing costs of child welfare policies that were in place prior to 2011 realignment.

Federal funding for CWS stems from several sources and is projected to be near \$2.8 billion in 2019-20. The 2019-20 Budget proposes around \$546 million General Fund for county welfare and probation departments to implement components of the child welfare program that were not part of 2011 realignment. CCR implementation spending constitutes a significant portion of total General Fund spending on CWS. In addition to this \$546 million, the General Fund supports the state's CWS oversight function at DSS.

Placement Types. Counties have historically relied on four primary placement options for foster children—kinship care, foster family homes (FFHs), FFAs, and congregate care. Home-based family care (HBFC) refers to kinship care, FFHs, and FFAs. In recent years, Supervised Independent Living Placements (SILPs) and transitional housing placements have become increasingly utilized as placement options for older foster youth.

Caseload. As of October 2018, there were around 59,000 youth in foster care, including over 7,000 nonminors, between the ages of 18 and 21 in extended foster care in California. Federal and state law mandate that children be placed in the least restrictive placement setting, which state law describes as a setting that promotes normal childhood experiences and the day-to-day needs of the child. The figure below shows the number of foster children in each of the above mentioned placement settings over time. The selected placement types vary in their level of restrictiveness, serve children with different though overlapping needs, provide different kinds of specialized services, and receive varying foster care payment rates from the state.

Number of Children in Foster Care by Placement Type



^a Includes, for example, children in pre-adoptive homes and temporary shelters.
 FFAs = Foster Family Agencies; FFHs = foster family homes; and SILP = Supervised Independent Living Placement.
 Source: University of California, Berkeley—California Child Welfare Indicators Project.

LAOA

Kinship Care. Established child welfare policy and practice in the state prioritizes placement with a noncustodial parent or relative. Kinship care comprises care from relatives and nonrelative extended family members and is the state’s most utilized placement option, at 33 percent of foster placements, as of October 2018. Kinship care is a unique foster care placement type in multiple respects. For example, unlike other placement types, kin caregivers can take in foster children on an emergency basis before having been fully approved by counties as foster caregivers. Instead, kin caregivers only must meet basic health and safety standards before an emergency placement is made. Prior to March 30, 2018, kin caregivers were generally not eligible to receive full monthly foster care payments until they received full foster caregiver approval. Instead, they typically received the CalWORKs child-only grant of almost \$400 per month. Chapter 35 of 2018 (AB 1811, Committee on Budget) now provides relative caregivers,

with a child placed with them, temporary grant funding at the base-level rate while their applications are being processed.

Foster Family Homes (FFHs). County-licensed foster homes, known as FFHs, are often the preferred placement option when a suitable kin caregiver cannot be found and the child does not have needs requiring a higher level of services. Counties recruit FFH caregivers and provide basic social work services to the approximately 13 percent of foster children statewide residing in an FFH as of October 2018. In 2018-19, FFH caregivers receive the same minimum foster care payment as kin caregivers of at least \$960 per month for the care and supervision of each foster child in their home.

Foster Family Agency (FFA) Homes. FFAs do not directly house the children under their care. Instead, FFAs are private nonprofit agencies that recruit and approve foster caregivers, place children into FFA-supervised foster homes, and provide supportive services to the children in their care, typically children with elevated needs compared to those placed in FFHs. Because they offer a relatively high level of services and often serve children with elevated needs, counties reimburse FFAs at a higher rate than either kin caregivers or FFHs. In 2018-19, FFAs receive a minimum payment of \$2,176 per month for each foster child under their supervision. Of this amount, \$960 is passed directly onto the foster child's caregiver, while the remaining amount funds the FFA's administrative and supportive services activities. FFA-supervised foster caregivers have not historically been eligible to receive county-funded SCIs. Instead, FFA-supervised foster caregivers historically received a fixed supplemental per child per month payment on top of the standard foster care payment mandated by the state for all HBFC placements. As of October 2018, 22 percent of the state's foster children were placed through an FFA.

Congregate Care. Congregate care includes group homes and Short-Term Residential Therapeutic Programs (STRTPs), the latter of which are expected to eventually replace group homes under CCR as the permissible congregate care placement setting for CWS-supervised foster children who need intensive services that are unavailable in an HBFC home. Operated as private, nonprofit agencies, group homes and STRTPs provide 24-hour care, supervision, and services to foster children with the highest levels of need, often children whose significant emotional or behavioral challenges can make it difficult for them to successfully remain in home-based family foster care settings. Professional staff, as opposed to a parent-like foster caregiver, provide care and supervision to children in group homes and STRTPs. Group homes and STRTPs are considered the most restrictive, least family-like foster care setting, and are generally the least preferred placement option. Group homes and STRTPs are compensated at significantly higher rates than the other placement types—in 2018-19, ranging from just under \$3,000 to about \$13,000 per child per month. As of October 2018, approximately 5 percent of California's foster children were living in group homes or STRTPs.

Supervised Independent Living Placements and Transitional Housing. In recent years, counties have increasingly relied upon SILPs and transitional housing placements instead of home-based family placements and congregate care settings for older, and relatively more self-sufficient, youth. SILPs are independent settings, such as apartments or shared residences, where nonminors who remain in the foster care system past their 18th birthday may live independently and continue to receive monthly foster care payments. Nonminor foster youth residing in SILPs receive a monthly foster care payment of \$960. Transitional housing placements provide foster youth ages 16 to 21 supervised housing as well as supportive services, such as counseling and employment services, that are designed to help foster youth achieve independence. The monthly foster care payment rate for foster youth in transitional housing placements ranges between more than \$2,500 to over \$3,000. As of October 2018, 8 percent of all foster youth were residing in either SILPs or transitional housing.

CONTINUUM OF CARE REFORM (CCR)

CCR aims to achieve a number of complementary goals including: (1) ending long-term congregate care placements; (2) increasing reliance on home-based family placements; (3) improving access to supportive services regardless of the kind of foster care placement a child is in; and, (4) utilizing universal child and family assessments to improve placement, service, and payment rate decisions.

Congregate care placements can cost nearly \$13,000 per child per month depending on the level of care provided. In contrast, foster care payments for home-based family settings generally range from nearly \$1,000 per child per month, for relative and FFH placements, to about \$2,700 per child per month, for FFA placements. Some FFA placements for children who require intensive services can receive grant payments of almost \$6,200. Long-term stays in congregate care are associated with elevated rates of reentry into foster care, lower educational achievement, and higher rates of involvement in the juvenile justice system.

CCR aims to end long-term congregate care placements. Reducing reliance on congregate care placements has been a priority for the state for some time. A major challenge to achieving this goal has been an inadequate supply of home-based family placements which are capable of caring for children with elevated needs. Additionally, the mental health and other supportive services to help home-based family caregivers care for children with elevated needs have not historically been readily accessible at all home-based family placement types. Improving the capacity and availability of home-based family placements is a principal goal under CCR.

Short-Term Residential Therapeutic Programs (STRTPs). CCR originally sought to end group homes as a placement option for CWS-supervised foster children by the end of December 2018. In certain circumstances, recent legislation extended the deadline for some existing group homes to convert to STRTPs to the end of December 2019. Probation departments may

continue to utilize group home placements indefinitely. CCR aims to encourage probation departments to make similar changes regarding their use of congregate care as child welfare departments. STRTPs are expected to replace group homes as the permissible placement setting for children who cannot safely and stably be placed in home-based family settings, providing a similar level of supervision as group homes, but with expanded services and supports. In contrast to group homes sometimes serving as long-term placements for children for whom home-based family placements cannot be found, STRTPs are intended to exclusively provide short-term, intensive treatment and other services to allow children to transition to a family setting as quickly and successfully as possible.

CCR restricts STRTP placements to children who have been assessed as requiring the high level of behavioral and therapeutic services that STRTPs are required to provide. Children whose level of need may qualify them for STRTP placement include, among others, those assessed as having a serious mental illness and victims of commercial sexual exploitation. To ensure the ongoing appropriateness of all STRTP placements, resident children's case plans are subject to review every six months by the director or deputy director of the supervising county child welfare or probation department. The case plans specify the reasons for the child's placement, the expected duration of stay, and the transition plan for moving the child to a less restrictive environment. As a result of the shorter expected durations of stay in STRTPs, as well as the restrictions around which foster children may be placed in STRTPs compared to group homes, it is anticipated that statewide STRTP capacity (number of beds) will be lower than statewide group home placement capacity prior to CCR.

New Rate System. Until January 2017, the state's foster care payment rates primarily varied by age for children in HBFC. For example, a foster caregiver caring for a child below age 5 would receive a monthly foster care payment of around \$700, while a foster caregiver caring for a child over age 14 would receive a monthly payment of around \$900. Under the foster care payment rate structure, being implemented under CCR, foster care payment rates vary by children's level of need as determined by a statewide "level of care" (LOC) assessment tool. There are five payment rates under CCR's "HBFC payment rate" structure, each with a corresponding LOC. LOC 1 represents the lowest level of care and corresponds with the lowest payment rate. Intensive Services Foster Care (ISFC)—a level of care above LOC 4—represents the highest level of care for home-based family settings and comes with the highest payment rate. In addition to changing the basic structure of foster care payment rates, the new HBFC base foster care payment rates are generally higher than they were prior to CCR. Some form of county-optional SCIs is expected to continue under the new HBFC foster care payment rate structure. However, counties may make adjustments to their SCI rate structures in order to harmonize their SCI rate structures with the HBFC rate structure. The figure on the following page summarizes the HBFC payment rates under CCR:

2018-19 Home-Based Family Care Foster Care Payment Rates Under CCR

Per Child Per Month Rates

Level of Care	1	2	3	4	ISFC
County-supervised foster caregivers	\$960	\$1,068	\$1,176	\$1,284	\$2,505
FFA payments:					
Foster caregivers	960	1,068	1,176	1,284	2,505
Services and administration	1,216	1,260	1,304	1,383	3,682
Total Payment for a Child Placed in an FFA Home	\$2,176	\$2,328	\$2,480	\$2,667	\$6,187

CCR = Continuum of Care Reform; ISFC = Intensive Services Foster Care; FFA = Foster Family Agency,

LOC Assessment Tool. The DSS developed an LOC assessment tool to determine the foster care payment rate that caregivers will receive. The assessment is designed to identify the care needs of a foster child and to translate those care needs into an appropriate foster care payment rate. The LOC tool and rate structure has only been partially implemented.

Single STRTP Payment Rate. Unlike the rate structure that governed group home payment rates—which differentiated group home payment rates by the level of care and supervision different group homes provided—under CCR, there is a single monthly payment rate paid for all STRTP-placed children. In 2018-19, STRTPs are paid a, per child per month foster care payment rate, of \$12,993.

Access to Mental Health and Other Supportive Services. Improving foster children’s access to mental health services has been a longstanding goal of the state. CCR builds on these efforts by requiring STRTPs to directly provide specialty mental health services to resident foster children. In addition, FFAs are required to ensure access to mental health services for the foster children they supervise by either providing the services themselves or contracting with mental health service providers to do so on their behalf. On top of aiming to improve access to mental health services, CCR mandates that certain other “core services” be made available to foster children. These core services include permanency services to help foster children reunify with their parents or, alternatively, secure permanency through guardianship or adoption.

Altered Caregiver Approval and Placement Processes. Before foster caregivers may receive full foster care payments, they must be approved to provide care. Relative caregivers with a placement prior to approval may obtain temporary grant funding while their application is being processed. Prior to CCR, the approval process differed by placement type—for example, nonrelative caregivers were licensed according to one set of criteria, while relative caregivers were approved under a different set of criteria. CCR replaced the multiple approval standards with a single, more comprehensive approval process that incorporates features included in assessments for prospective adoptive parents (such as a psychosocial assessment). Because

it is a more comprehensive approval process, completing the Resource Family Approval (RFA) process is intended generally to automatically qualify a foster caregiver for guardianship and adoption—making it easier for caregivers to transition from providing one placement type to another. CCR legislation required all new prospective foster caregivers to complete the RFA process beginning in January 2017. Obtaining RFA is required of all existing foster caregivers by the end of December 2020 in order for them to continue to serve as foster caregivers.

Child and Family Teaming. To increase child and family involvement in decisions relating to foster children’s care, CCR mandates the use of child and family “teaming” through every stage of the case planning and service delivery process. The child and family team (CFT) may include, as deemed appropriate, the affected child, her or his custodial and noncustodial parents, extended family members, the county caseworker, representatives from the child’s out-of-home placement, the child’s mental health clinician, and other persons with a connection to the child. The CFT is required to meet at least once every six months (or once every 90 days for children receiving specialty mental health services) to discuss and agree on the child’s placement and service plan whenever an important foster care decision is made.

Child and Adolescent Needs and Strengths (CANS) Assessment Tool. CCR calls for children to receive a comprehensive strengths and needs assessment upon entering the child welfare system in order to improve placement decisions and ensure access to necessary supportive services. In late 2017, the Child and Adolescent Needs and Strengths (CANS) tool was chosen by DSS as the state’s functional assessment tool to be used within the CFT process. In June 2018, 33 counties began a phased implementation of the CANS assessment tool. Most of the remaining counties began implementation in October 2018. Los Angeles was the last county to begin implementation with its start in January 2019. As of October 2018, nearly 45 percent of children entering foster care were documented as having participated in the CFT/CANS process. The tool will be used to inform the decisions of the CFT and will be administered separately from the LOC assessment tool discussed above.

FUNDING FOR CCR

The 2019-20 Governor’s Budget increases estimated General Fund spending on CCR in 2018-19 and 2019-20 compared to previous projections. Higher estimated 2018-19 and 2019-20 CCR spending does not result from any major proposed changes in CCR policy. Rather, this higher CCR spending reflects updated cost projections of the various components of CCR implementation.

The figure on the following page breaks down the changes in estimated and projected CCR General Fund spending by CCR component for 2018-19 and 2019-20. The 2019-20 Governor’s Budget revises upward estimated General Fund spending on CCR in 2018-19 compared to the 2018-19 Budget Act. In the enacted budget, the General Fund provided \$194 million in

2018-19 to counties through DSS to implement CCR. The 2019-20 Governor's Budget revises estimated 2018-19 General Fund spending on CCR upward by \$102 million to \$296 million.

Differences in Estimated 2018-19 CCR Spending Between 2018-19 Budget Act and the 2019-20 Governor's Budget^a

General Fund (In Thousands)

	2018-19		Difference
	<i>2018-19 Budget Act</i>	<i>2019-20 Governor's Budget</i>	
CCR foster care payments ^b	\$82,108	\$173,548	\$91,440
Child and family teams	52,246	52,246	—
Foster parent recruitment, retention, and support	21,630	21,630	—
Resource family approval (RFA)	23,145	23,145	—
RFA processing backlog reduction	3,161	9,461	6,300
Placement with a kin caregiver prior to RFA approval	—	1,434	1,434
Level of care protocol tool	2,491	7,291	4,800
Other administrative and automation components	9,610	7,119	-2,491
CCR Local Assistance Total	\$194,391	\$295,874	\$101,483
^a Only includes local assistance funding through the Department of Social Services. It therefore excludes all state operations spending as well as CCR-related mental health expenditures.			
^b This line includes the net costs of the following: (1) the costs associated with the new higher CCR payment structure (2) changes in cost per child due to movements to different placements and (3) changes in total caseload numbers.			
CCR = Continuum of Care Reform.			

The main driver of higher than previously anticipated state spending on CCR in 2018-19 is the projected slower speed at which foster children are moving out of congregate care into HBFC settings and higher numbers of children moving from group homes to STRTPs. Anticipated spending on CCR over time depends significantly on the number of children transitioning out of costly placements, such as congregate care placements, and into lower cost placements, such as HBFC settings, which generates savings for counties that the state uses to offset its CCR-related costs. Previous CCR spending projections included significant movement out of congregate care as a result of CCR efforts beginning as early as 2016-17.

Year-Over-Year CCR Spending Under the 2019-20 Governor's Budget^a

General Fund (In Thousands)

	2018-19	2019-20	Difference
CCR foster care payments ^b	\$173,548	\$184,008	\$10,460
Child and family teams	52,246	52,852	606
Foster parent recruitment, retention, and support	21,630	—	-21,630
Resource Family Approval (RFA)	23,145	8,187	-14,958
RFA processing backlog reduction	9,461	—	-9,461
Placement with a kin caregiver prior to RFA approval	1,434	1,434	—
Level of care protocol tool	7,291	7,291	—
CANS functional assessment tool implementation	—	9,816	9,816
Other administrative and automation components	7,119	7,411	292
CCR Local Assistance Total	\$295,874	\$270,999	-\$24,875
^a Only includes local assistance funding through the Department of Social Services. It therefore excludes all state operations spending as well as CCR-related mental health expenditures.			
^b This line includes the net costs of the following: (1) the costs associated with the new higher CCR payment structure (2) changes in cost per child due to movements to different placements and (3) changes in total caseload numbers.			
CCR = Continuum of Care Reform.			

While overall CCR costs in 2018-19 and 2019-20 are higher than under the Administration's previous projections, the 2019-20 Governor's Budget proposal reflects a net year-over-year reduction in state General Fund costs for CCR of almost \$25 million. Four factors, reflecting both cost increases and cost decreases, largely explain the net decrease:

- Expiring Funding for Foster Caregiver Recruitment and Retention.** To respond to an anticipated need for more home-based family caregivers as a result of CCR's push to reduce reliance on congregate care, the state implemented a limited-term, multiyear augmentation of funding to recruit and retain more families as foster caregivers beginning in 2015-16. The last year of the augmented funding was set for 2018-19, which included \$22 million General Fund. The Governor's budget does not include an extension of funding for this purpose.
- Decrease in RFA Funding.** In 2018-19, the budget included a total of \$32.5 million General Fund in RFA funding, including \$23 million to help counties implement the conversion of the previous caregiver approval systems to RFA, as well as \$9.5 million that was provided one-time to reduce the RFA approval backlog. The Governor's budget proposes to reduce total state funding for RFA to counties by more than \$24 million—leaving about \$8 million General Fund for this purpose. This reduction includes the

\$9.5 million one-time General Fund allocation that expires at the end of 2018-19. The remaining \$15 million reduction is due to the administration's view that much of the RFA process should be a county responsibility.

- **New Funding for CANS Implementation.** In accordance with supplemental reporting language last year requiring the administration to estimate costs to counties for implementing CANS, the Governor's budget proposes General Fund support for close to \$10 million worth of estimated costs to counties to implement CANS. The administration intends for this funding to be for temporary start-up costs and cease at the end of 2019-20.
- **More Children Expected to Transition to STRTPs in 2019-20.** The 2019-20 Governor's Budget projects that while a greater number of children, currently in group homes, will transition into home-based family care placements in 2019-20 than in previous years, an even greater number will transition into STRTPs and a few hundred will remain in group homes for the duration of 2019-20. The greater costs from a high number of children in STRTPs—which have higher reimbursement rates than group homes—will more than offset the savings from lower total number of children in congregate care. As a result, the administration estimates that General Fund spending on the HBFC rate structure will increase by more than \$10 million year-over-year.

In the Administration's last multiyear CCR spending projection, released at the 2017-18 May Revision, the Administration projected CCR to be cost-neutral to the state by 2019-20. These projected savings were the result of projected CCR-related caseload movement savings exceeding the total projected costs of CCR's other components. The Administration no longer expects caseload movement-related savings to exceed the costs of CCR's other components within the next few years. The Administration did not release an updated multiyear CCR spending projection in 2018-19. Based on information from the Administration, it is projected that CCR will continue to produce significant net state costs for the foreseeable future.

<p>GOVERNOR'S BUDGET CHANGE PROPOSAL (BCP)</p>

The Governor's budget includes the following CCR-related technical BCPs:

County Memoranda of Understanding (MOU) Support: Trauma-Informed Systems of Care (AB 2083 Implementation). The Governor's budget includes \$413,000 in 2019-20 (\$207,000 General Fund) and \$292,000 ongoing to implement AB 2083 (Cooley), Chapter 815, Statutes of 2018. AB 2083 requires both the state and local governments to create integrated programs serving children under both the STRTP and Therapeutic Foster Care models of care, as well as through integrated implementation of CFTs and the CANS tool. DSS requests two positions to

meet the new workload, including expanded case-specific technical assistance and interagency policy collaboration.

There is a corresponding BCP in the Department of Health Care Services that was heard by the Subcommittee and covered in the agenda for March 18, 2019.

CCR Compliance Workload. The Governor's budget includes \$4.54 million (\$3.1 million General Fund) in 2019-20 and 2020-21 for 34 limited-term positions to address additional workload and compliance requirements associated with CCR. Previously approved limited-term resources will expire on June 30, 2019. These positions, which are requested to be extended through 2021-22, will aid in implementing the various components of CCR.

ADVOCACY PROPOSALS

A. Family Stability Fund (currently known as Foster Parent Recruitment, Retention, and Support funding)

The County Welfare Directors Association (CWDA), the California Alliance of Caregivers (CAC), the Chief Probation Officers of California, the Alliance for Children's Rights, and California State Association of Counties (CSAC) request \$43.2 million General Fund on-going to maintain supports to resource family caregivers and the children and youth in their care. Funding provided in previous years established many new supports that resource families have come to rely upon. For example, previous funding has allowed the use of foster parent mentors to provide extra support for relatives through the RFA process.

In 2015-16, the budget included initial funding of \$17.2 million. This funding increased to \$43.3 million in 2016-17 and 2017-18. The funding was reduced to \$23.6 million in 2018-19, and is proposed to be eliminated in the 2019-20 budget.

B. Family Urgent Response System (FURS)

CWDA, Children NOW, Service Employees International Union (SEIU) California, and the County Behavioral Health Directors Association (CBHDA), with a large coalition of organizations, request \$15 million General Fund in 2019-20 and \$30 million General Fund on-going to support foster youth and caregivers. FURS would provide foster youth and their caregivers with immediate trauma-informed support when issues arise, and link youth and families to community-based supports and services. The requested funds would help to establish and maintain a statewide hotline available 24/7 for caregivers and youth who experience emotional, behavioral, or other difficulties in need of immediate help. It would also allow counties to establish mobile response teams to provide in-home response on a 24/7 basis to stabilize the situation, assess needs, and develop an action plan.

C. Continued Emergency Caregiver Funding at Time of Placement

The Alliance for Children's Rights and Children NOW request language to revise the timeframes for emergency caregiver funding that are in effect for the 2019-20 fiscal year to allow families to receive emergency caregiver funding for 120 days. The Alliance also requests language allowing the timeframe to be extended past 120 days upon a showing of good cause. Then, for fiscal year 2020-21, the proposal is to reduce the timeframe for receipt of emergency caregiver funding to 90 days, but ensure there is still a good cause exemption to allow families that are taking longer. The Alliance estimates that the proposed language will incur a cost of \$1.2 million General Fund in 2019-20.

D. Resource Family Approval and CANS Assessments

CWDA and CSAC request the Legislature restore \$24.4 million General Fund to allow county welfare agencies to continue to approve resource families in an efficient manner. The organizations also request the consideration of trailer bill language that would require the tracking of actual expenditures related to the CANS assessment tool.

The 2018 Budget Act allowed for emergency caregivers to receive payment at the time of placement for up to 180 days. However, that emergency funding will be provided for only up to 90 days beginning in 2019-20, instead of the current 180 days. Additionally, the 2019-20 Governor's budget proposes to reduce General Fund support to help counties with RFA implementation from \$32.5 million to \$8 million.

E. Transportation to School of Origin at Time of Placement

The Alliance for Children's Rights and Children NOW request trailer bill language that would allow transportation reimbursement to a foster youth's school of origin at the time of placement and ensure all families receive notification of their eligibility for funding for transportation reimbursement. California law mandates school of origin rights for youth in foster care and reimbursement for transporting the foster child to their school of origin is available as part of the foster care maintenance payment. However, funding does not begin until commencement of the foster care maintenance payment, which means children placed in homes prior to the caregiver being approved have to wait for many months before funding to transport them to their school of origin is available. It is estimated that these reimbursements will cost about \$2.1 million General Fund.

Assemblymember Sharon Quirk-Silva has written to the Subcommittee in support of this request.

LAO ASSESSMENT

The LAO writes with the following analysis and recommendations regarding the CCR:

“Higher Projected State Costs in 2018-19 Reasonable in Light of Slower CCR Implementation. The Administration’s previous projections of CCR achieving cost neutrality for the state were relatively ambitious, assuming that the changes under CCR would quickly translate into movement of children away from more costly placement settings such as congregate care to less costly placements such as HBFC settings, leading to decreasing General Fund costs over time. Certain components of CCR implementation have taken longer to implement than originally intended. The principal example is the delayed rollout of the full LOC-based HBFC payment rate structure, originally intended to start in January 2017 and now with an indefinite delay to its full implementation. Given this and other CCR implementation delays, it is reasonable to expect that certain goals of CCR will take longer to be realized, including CCR-related caseload movement and the associated savings. From the initial data available, it appears that a higher than originally expected proportion of caseload movement out of group homes is shifting to higher cost STRTPs as opposed to lower cost HBFC placements. Additionally, overall caseload movement out of congregate care is taking longer than originally expected. As such, we believe it is prudent to assume a slower long-term pace of General Fund savings from caseload movement, as the administration has assumed in the 2019-20 Budget.

Lower Projected State Costs in 2019-20 Reasonable Given the Expiration of Funding for Certain Upfront Costs. The Administration has adjusted its methodology for estimating CCR costs associated with foster care rate payments to incorporate more robust data on caseload movement. The Administration’s 2019-20 Budget subsequently projects an increase in costs associated with foster care rate payments in 2019-20 compared to 2018-19, which we believe is appropriate given previously discussed trends in caseload movement such as the large number of children being placed in high-cost STRTPs. Notwithstanding higher rate structure costs, we believe it is also reasonable to expect that overall costs to the state for CCR will decrease in the 2019-20 given the scheduled expiration of significant General Fund support for other components of CCR, such as FPPRS and certain parts of RFA implementation. (We make comments on the expiration of some of this one-time funding later in this analysis.)

Continuing to Speed Up RFA Process Critical to CCR’s Success. CCR’s success in part depends on the state and counties’ ability to increase the number of HBFC caregivers. Prolonged RFA Process Has Potential Negative Impact on the Supply of HBFC Settings. A critical first step in increasing the supply and capacity of HBFC caregivers is to complete the foster caregiver approval process, RFA, in a timely manner. The continued prolonged RFA approval process described earlier impedes the state’s ability to increase the number of foster

caregivers and, accordingly, prevents the state from moving foster children out of congregate care settings and into HBFC settings as fast as it otherwise could.

RFA Process Remains Prolonged and Cumbersome for Counties and Caregivers, But Aid From the State Is Set to Decline. As previously discussed, various components of the RFA process have experienced delays. The deadline for counties to convert existing FFH caregivers to RFA has been extended by a year and a significant backlog of RFA applications are taking longer than 90 days to process persists. In 2018-19, DSS released new county directives aimed at shortening the time it takes to complete the RFA process and counties were given temporary additional funding resources to assist in the RFA process. While there has been some moderate improvement in the backlog, progress remains slow. The average number of days to process applications, though lower than it was earlier in 2018, remains far above 90 days. At the same time, General Fund support to help counties with RFA implementation is proposed to be reduced by a total of \$24 million General Fund in 2019-20, from \$32.5 million to \$8 million. Additionally, pursuant to current law, families taking care of foster children whose RFA applications are pending approval will only receive temporary grant funding for up to 90 days until the application finishes processing—down from the currently authorized 180 days—beginning in 2019-20.

Recommend the Legislature Continue to Closely Monitor How Long the RFA Process Is Taking and Consider Additional Legislative and/or Budgetary Fixes if Improvement Stalls. We recommend that the Legislature continue to closely monitor whether RFA process times cease to make additional improvements and require DSS to examine and report on whether this is the result of inadequate county resources or cumbersome approval policies. Should little improvement continue to be shown in the speed of the RFA process, the Legislature should consider whether additional policy changes around RFA are necessary.

Consider Extending Current Level of Funding to Assist With the RFA Process. Counties continue to experience persistent delays and backlogs as they implement the RFA process even after receiving additional temporary resources from the state for this purpose. Given the importance of a fully functional RFA process to the overall success of CCR, the Legislature should therefore consider maintaining current levels of RFA funding for counties—currently over \$32 million General Fund for 2018-19—until more substantial progress has been made.

Furthermore, there continue to be many families experiencing delays in RFA approval, lasting several months. Caring for a foster child without the full monthly foster care payment can represent a significant economic burden that has potential to impair these placements' stability. The Legislature might therefore consider the potential trade-offs of extending the current arrangement of funding payments to foster caregivers with placement prior to RFA approval up to 180 days (and under certain conditions, up to 365 days) until their applications are approved or denied. State funding for kin caregivers who have a child placed with them prior to RFA approval is under \$1.5 million General Fund for both 2018-19 and 2019-20—reflecting that

federal EA-TANF funds cover the large majority of costs for this program. Regardless of the total number of caregivers experiencing prolonged RFA application processing times, any individual caregiver that experiences a delay in payment could be put at risk for financial instability. Thus, if the Legislature chooses to extend this funding, it might consider making the extension permanent.

Implementation of LOC Assessment Tool-Based HBFC Rates. Implementation of CCR's full HBFC payment rate structure requires the use of an assessment to determine foster children's general level of need and, accordingly, determine an appropriate foster care payment rate. DSS developed the LOC assessment tool to perform this function.

Issues to Consider Related to the Planned Implementation of the Full LOC Assessment Tool. As noted above, there are some longstanding stakeholder concerns related to the LOC assessment tool's reliability. As such, the administration has repeatedly delayed implementation of the full LOC-based payment rate structure beyond new and recent FFA placements. On the one hand, because FFA-supervised children are not eligible for the SCI, concerns about the new rate structure's compatibility with the SCIs do not apply to existing FFA placements not covered by the current implementation. In addition, implementation of the LOC-based HBFC payment rate structure for FFAs would give the state and counties additional experience administering the LOC assessment tool and present the state with greater opportunity to refine its guidance and training on using the tool. On the other hand, we recognize stakeholders' concerns about the LOC assessment tool's fundamental reliability and validity as well as the potential that FFH caregivers might receive lower overall grant payments as a result of counties reducing SCI payments due to their implementation of the assessment tool.

As a result, we recommend that the Legislature question the Administration on issues currently still outstanding regarding the LOC tool including:

- **Rollout of the LOC Tool.** There are multiple points of uncertainty regarding the administration's plans to fully implement the tool, such as: (1) how the administration addressed specific concerns over the tool's validity and reliability when making, or choosing not to make, modifications to the tool for the FFA rollout; (2) what potential risks or uncertainties in that regard remain for the tool; (3) a detailed plan for testing the tool's validity and incorporating findings into further development of the tool; and, (4) a clarification of when and under what circumstances it will roll out the tool to non-FFA home-based placements.
- **Trade-Offs Associated With Using an Alternative Assessment Tool.** The Legislature and Administration may also want to study the viability and merits of using alternative tools for LOC rate determination, such as CANS, which is a widely accepted assessment tool among stakeholders and is already being incorporated into the CFT process.

- **Impact of New Rates on SCIs.** It is our understanding from the Administration that the level of SCIs in some counties has been reduced, which might result in some caregivers receiving lower total grant payments even if the new HBFC rate structure provides higher base grants than the previous age-based rate structure. We therefore recommend the Legislature require the administration to analyze the net impact on total grant rates received by caregivers resulting from the combined effect of county modifications to their SCI rate structures and the statewide rollout of the HBFC rate structure.”

STAFF COMMENT/QUESTIONS

The continued progression of, and creation of best outcomes for, CCR hinges on two essential endeavors -- family finding and family support. The state and counties are working sincerely and very hard to transition youth from group homes to families and STRTPs when appropriate, to approve caregivers through the RFA process, and start a culture that embraces and supports child and family teaming in the effort to fully and adequately address children’s needs, including the provision of mental health services. This will take time to implement, and the costs are higher than what has been included in the Governor’s Budget.

The Subcommittee may wish to ask the following questions of the Administration in the course of the hearing, urging the Governor through his staff, including the onboarding Health and Human Services Agency Secretary Mark Ghaly, to consider where the May Revision can address emergent issues in the CCR as part of the overall workload budget:

1. What considerations did the Administration take into account with the proposed elimination of the FPRRS funding in 2019-20?
2. What considerations did the Administration take into account with the proposed reduction in RFA funding in 2019-20?
3. What additional efforts does the department have in place to ensure that there are enough foster families and that existing families have the support they need?
4. How are DHCS and DSS tracking whether mental health services are being provided to all children who need these services, whether they are in STRTPS, in group homes extended until December 2020, or in home-based family care?
5. Please provide an update on how the provision of mental health is progressing under the CCR and the areas of weakness where attention needs to be focused in the coming months and year.
6. What is the expected schedule for implementation of the LOC tool?

The Subcommittee may also wish to consider an action to update and codify the oversight language that was originally adopted in Supplemental Report Language as part of the 2016 Budget. As CCR continues to implement, this Legislative oversight tool will continue to be indispensable in tracking the successes and areas of concern and need affecting children in the child welfare system.

Staff Recommendation:

Hold open.

5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE 2: REDUCE HOMELESSNESS AMONG FORMER FOSTER YOUTH ADVOCACY PROPOSAL****PANEL**

- JT Tilson, Sacramento County, Foster Youth
- Amy Lemley, Executive Director, John Burton Advocates for Youth
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ADVOCACY PROPOSAL

A statewide coalition, led by John Burton Advocates for Youth, requests \$8 million General Fund to reduce homelessness among California's former foster youth by expanding access to the Transitional Housing Placement Plus program (THP-Plus). In 2018, THP-Plus provided 24 months of safe, affordable housing and supportive services to 1,946 former foster youth, who are primarily custodial parents, youth with disabilities and youth who do not qualify for extended foster care.

According to an October 2018 report, demand for THP-Plus far outweighs supply, with more than 400 eligible youth unable to access THP-Plus due to a lack of program capacity. The advocates state that this is particularly true in certain parts of the state, namely Los Angeles County, which has 31 percent of the state's population of foster youth age 18 to 21, but just six percent of the THP-Plus funding allocation. Additionally, the currently eligibility criteria exclude highly vulnerable youth who were in foster care at age 16.

The budget proposal would reduce homelessness among former foster youth in California by augmenting the THP-Plus budget by \$8 million General Fund to serve more former foster youth and to expand eligibility to youth who were in foster care at age 16.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask the Administration's perspective on this proposal, and how the utilization of THP-Plus and capacity across counties informs this.

Staff Recommendation:

Hold open.

ISSUE 3: PROMOTING HOUSING STABILITY FOR TRANSITION AGE YOUTH ADVOCACY PROPOSAL**PANEL**

- Cathy Senderling-McDonald, Deputy Executive Director, County Welfare Directors Association of California
- Jaqareé Carson, Contra Costa County, Foster Youth
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ADVOCACY PROPOSAL

The Alliance for Children's Rights, Children NOW, CWDA, and SEIU California request a \$50 million General Fund investment to provide housing stability for transition-age foster youth and young adults in the extended foster care (EFC) program.

The requested funds would: (1) enable county caseworkers to better support youth; (2) fund housing navigators to help young adults find and keep housing, (3) provide housing-related financial assistance such as security deposits; and, (4) support foster homes transitioning to become host families for youth in extended foster care. Detail on these components is provided by the advocates below:

- 1) **Caseload Reduction:** A \$32.9 million GF investment in child welfare worker capacity will allow social workers to attend to the individual and complex needs of young adults in the EFC Program. These young adults have often been in foster care for many years and continue to struggle on their own path to healing as adults. Research shows that lower caseloads allow social workers to give additional time and attention to supporting youth in care, and lead to improved outcomes for foster youth.
- 2) **Housing Navigators and Financial Assistance:** A total of \$12.2 million GF (including \$10.2 million for Housing Navigators and \$2 million for limited-term financial assistance) will link transition-aged foster youth and non-minor dependents in the EFC Program to housing including SILPs, Transitional Housing, and placements with resource families, as determined appropriate and based on an assessment of the youth. These housing navigators will work with case managers to identify available housing units, match youth with other foster youth for shared housing, develop a repository of housing units for use by foster youth, assist young adults with lease agreements, help resolve disputes with landlords, and provide other services as needed. In addition, time-limited housing

assistance will be available for expenses such as security deposits and some basic furnishings.

- 3) **Increasing Foster Care Capacity:** An additional \$4.9 million GF will enable foster youth who are living in a foster home to maintain placement with the resource family, by creating a path for the resource family to transition seamlessly to a “host family,” a type of transitional housing provider authorized under the Transitional Housing Provider (THP) Plus-FC Program.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask the Administration’s perspective on this proposal, and how the understanding of housing and homelessness challenges for transition age youth informs this.

Staff Recommendation:

Hold open.

ISSUE 4: ELIMINATING BARRIERS TO ENTER AND RE-ENTER EXTENDED FOSTER CARE ADVOCACY PROPOSAL**PANEL**

- Assemblymember Mike Gipson
- Meritsa Sedillo, Contra Costa County, Foster Youth
- Erin Palacios, Staff Attorney, Bay Area Legal Aid
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ADVOCACY PROPOSAL

The Alliance for Children's Rights, California Coalition for Youth, Children's Law Center of California, and Tipping Point Community request a \$1.65 million General Fund to ensure youth in need of services are able to enter or re-enter extended foster care. The funding will help to address unintended barriers that youth may encounter when trying to enter or re-enter extended foster care. Assemblymember Mike Gipson has written to the Subcommittee in support of this request.

This proposal requests \$1.65 million General Fund (and \$1.1 million federal funds) based off a March 2018 estimate from the LAO to support very vulnerable youth entering Extended Foster Care. Specifically, the proposal helps a youth, who has been found to be in need of a temporary foster care placement and was in that placement on his or her 18th birthday, be eligible to be stay in foster care after turning 18 if the court concurs. The intent is to allow a court to not dismiss an active dependency petition while the youth is a minor solely because the youth has turned 18. This ensures youth are not penalized because they have turned 18 before the final adjudication of their petition. The proposal provides accompanying due process rights for the youth so that they can appeal a juvenile court's erroneous dismissal of their dependency petition after their 18th birthday as long as it was filled before their 18th birthday.

Additionally, under current law, former foster youth are able to enter extended foster care if their adoptive parents or legal guardians are no longer supporting them. However, a youth who is adopted or under a dependency legal guardianship is prevented from accessing extended foster care services because their adoptive parent/legal guardian continues to receive Adoption Assistance Payments (AAP) or Kin-GAP funding. In these circumstances, the adoptive parent/legal guardian no longer financially supports the youth. This proposal would allow youth in this uncommon, but dire, circumstance to appear before a juvenile court so that the court can

assess their need for extended foster care, without forcing them to wait until the AAP or Kin-GAP funds to the adoptive parent/legal guardian are terminated.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask the Administration's perspective on this proposal, and how the information in the recently released LAO report on older youth informs this.

Staff Recommendation:

Hold open.

ISSUE 5: FOSTER YOUTH DEVELOPMENT AND DIVERSION ADVOCACY PROPOSAL**PANEL**

- Assemblymember Mike Gipson
- Anna Johnson, Senior Policy Associate, National Center for Youth Law
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ADVOCACY PROPOSAL

The National Center for Youth Law requests an investment of \$9 million General Fund to augment the fund creating a community-based foster youth development system. Investments would fund nonprofits and community organizations to: (1) provide trauma-informed, culturally-relevant training to law enforcement and professionals interacting with vulnerable youth populations; (2) collaborate with public agencies to expand local youth diversion programs and deliver developmentally- appropriate services in under-served communities statewide, including expanding the capacity to serve youth in families rather than in congregate care; and, (3) provide permanency services for older youth in congregate care to ensure California's foster youth transition successfully into adulthood. Assemblymember Mike Gipson has written to the Subcommittee in support of this request.

The 2018 Budget allocated \$4 million General Fund for a one-time competitive grant process to provide community-based programs as alternatives to arrest and detention of foster children.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask the Administration's perspective on this proposal, and how the experience with the 2018 Budget related appropriation informs this.

Staff Recommendation:

Hold open.

ISSUE 6: ADDRESSING THE IMPACT OF MANDATED STATE MINIMUM WAGE INCREASE FOR FOSTER FAMILY AGENCIES ADVOCACY PROPOSAL**PANEL**

- David Danwing, Executive Director, Nuevo Amanecer Latino Children's Services
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ADVOCACY PROPOSAL

NASW, the California Alliance, The California Alliance of Caregivers, John Burton Advocates for Youth, the California Coalition for Youth, the Inland Empire Alliance, the Orange County Alliance for Children and Families, and the Association of Community Human Services Agencies request \$26.8 million to address the impact of the state minimum wage increases on the salaries of social workers employed by FFAs.

California law requires that salaries must be at least double the minimum wage in order for professionals to be considered exempt from overtime requirements. This increases the threshold for classification of professionals as salaried exempt employees. In 2019, FFA social workers must receive a minimum annual salary of \$49,920 in order to retain their status as salaried, exempt professionals. The amount available for FFA social work salaries in the current FFA rate must increase by \$151 per child per month in 2019 simply to meet the \$49,920 minimum salary requirement. The requested funds would increase FFA rates for social work activities and ensure social work staff can retain their exempt status.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask the Administration's perspective on this proposal.

Staff Recommendation:

Hold open.

ISSUE 7: CHILD WELFARE PUBLIC HEALTH NURSING EARLY INTERVENTION PILOT PROGRAM ADVOCACY PROPOSAL**PANEL**

- Markeitha Harris, Public Health Nurse, Los Angeles County, Service Employees International Union (SEIU), Local 721
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ADVOCACY PROPOSAL

SEIU California requests \$16.5 million (\$8.25 million General Fund and an anticipated \$8.25 million federal match) to create the Child Welfare Public Health Nursing Early Intervention Pilot Program. The pilot program would build upon the existing use of public health nurses in the field in Los Angeles County.

The program would provide families with children who are at risk of being placed in the child welfare system with preventive services. The purpose of the program is to improve outcomes for an expanded population of at-risk youth and families before entering the foster care system.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask the Administration's perspective on this proposal.

Staff Recommendation:

Hold open.

ISSUE 8: CONTINUATION OF BRINGING FAMILIES HOME ADVOCACY PROPOSAL**PANEL**

- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ADVOCACY PROPOSAL

The California Welfare Director's Association (CWDA), the California Association of Counties (CSAC), the Corporation for Supportive Housing, and Housing California requests a one-time appropriation of \$25 million for 2019-20 and 2020-21 to continue and expand the existing Bringing Families Home (BFH) program. The program provides housing supports to child-welfare involved homeless families and those at risk of homelessness. The program promotes supportive housing and rapid re-housing of families, with first priority to support family reunification and to maintain families together when children are at risk of abuse and neglect. The following information on the proposal has been provided by the advocates.

The 2016 Budget provided a one-time augmentation of \$10 million for the program that will expire on June 30, 2019. Twelve counties currently participate in the program, and these counties are required to provide a one-to-one dollar match for funds received. Counties launched the program in July 2017 and began serving families in the fall of 2017. In just over one year the program has had a significant positive impact to parents and their children. DSS reports that as of November 2018, 440 families have been permanently housed, with another 1,100 families identified, assessed and in process of securing needed housing. County child welfare agencies have seen children who were removed into foster care due to abuse and neglect return home sooner as a result of this program. For at risk children, BFH has helped keep families intact and likely prevented removals into foster care. Families who were living day-by-day, month-to-month, in hotels and sleeping in their cars with their children found homes with the help of the BFH Program.

While the formal evaluation of the BFH program is not expected to be finalized until sometime in late 2019 or early 2020, the program already shows great promise, consistent with other research studies demonstrating that homeless prevention programs like BFH work to avoid foster care placement and allow for reunification of birth parents and children in foster care. Research data demonstrate getting families who are homeless into stable, safe, permanent housing prevents foster care placement and furthers reunification with birth families. Moreover, data demonstrate the housing strategies advanced by BFH work to decrease rates of

homelessness among families with children, and decrease foster care, incarceration, and health costs. Without an extension, counties will be forced to begin dismantling the program.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask the Administration’s perspective on this proposal, and how the experience with the 2016 Budget related appropriation informs this. The Subcommittee may want to ask about what will occur if continuing funds are not provided for this housing/homelessness support.

Staff Recommendation:

Hold open.

ISSUE 9: CWS TRAINING AND WORKFORCE DEVELOPMENT ADVOCACY PROPOSAL**PANEL**

- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Pete Cervinka, Chief Deputy Director and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
- Justin Freitas, Department of Finance
- Ryan Millendez, Legislative Analyst's Office

ADVOCACY PROPOSAL

The California Welfare Director's Association (CWDA), the National Association of Social Workers (NASW), California chapter, and Service Employees Union (SEIU) International request \$10 million General Fund for the Child Welfare Training System. The requested funds could be leveraged with federal funding to increase funding to \$22 million total.

The requested funds would support the development of skill-based learning outside of the classroom, expand opportunities for cross-training with partner agencies and stakeholders, update and expand advanced training offerings, and ensure meaningful stakeholder involvement by establishing a Child Welfare Workforce Development Board.

STAFF COMMENT/QUESTIONS

Staff suggests that the Subcommittee ask the Administration's perspective on this proposal.

Staff Recommendation:

Hold open.

NON-DISCUSSION ITEMS

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 10: BCP – THE OFFICE OF FOSTER CARE OMBUDSPERSON FOSTER CHILD COMPLAINT INVESTIGATION

GOVERNOR’S BUDGET CHANGE PROPOSAL

The Governor’s budget proposes an increase of \$894,000 (\$407,000 General Fund) in 2019-20 and \$779,000 (\$354,000 General Fund) in 2020-21 for limited-term two-year resources to address an increased caseload backlog associated with the investigation of complaints about child welfare and foster care.

The Office of the Foster Care Ombudsman (OFCO) was created in 1998 to protect the interests and rights of children in foster care by providing them a means to make complaints and resolve issues related to their care, placement, and services. The Office conducts investigations and recommends system-wide improvements to the Legislature, Governor’s Office, and child welfare organizations.

Over the past twenty years, additional legislative mandates have increased the role and responsibilities of the OFCO, even though staffing levels have remained the same. The office consists of seven total positions: one career executive assignment, one staff services manager, and five associate governmental program analysts. The office receives approximately 1,800 monthly in-bound hotline calls and investigates 500 new cases per month. Staff also conduct visits to county child welfare agencies, foster family agencies, and group homes or short-term residential treatment programs to engage in monitoring and resolution activities. Caseload growth and limited resources have resulted in a backlog of nearly 400 active cases that have been open for more than three months. The requested resources will allow the office to respond and investigate the increased volume of cases it receives, and to address the backlog of cases.

Staff Recommendation:

Hold open.

ISSUE 11: BCP – STATE-TRIBAL-COUNTY ENGAGEMENT AND INDIAN CHILD WELFARE ACT COMPLIANCE**GOVERNOR’S BUDGET CHANGE PROPOSAL**

The Governor’s budget proposes an increase of \$797,000 (\$392,000 General Fund) in 2019-20 and 2020-21 for limited-term two-year resources to address workload associated with new state and federal regulations and to support counties with technical assistance and specialized training.

The Office of Tribal Affairs (OTA) was instituted in 2017 to fulfill legal and regulatory mandates involving compliance with the Indian Child Welfare Act (ICWA) and engagement with Indian tribes in California. The OTA has the primary responsibility of building better government-to-government relationships with California Indian Tribes. Additionally, Welfare and Institution Code (WIC) Section 16500.9 requires the OTA to assist counties with ICWA compliance such as supplying up-to-date information on tribes both within and outside of the state, providing information and support regarding juvenile dependency cases involving the ICWA, and providing training and technical assistance for counties on the ICWA mandates.

The ICWA compliance workload stems from federal regulations adopted in 2016, including the Bureau of Indian Affairs (BIA) ICWA regulations and Assembly Bill 3176 (Waldron), Chapter 833, Statutes of 2018. BIA and the U.S. Health and Human Services Administration for Children and Families (ACF) Division finalized federal regulations which include:

- Affirmative and continuing duty of inquiry in all cases, beginning at initial contact.
- Presumption – application of ICWA mandates whenever there is reason to know the child is an Indian child within the meaning of the Act.
- Active efforts beginning at initial contact.
- Stricter approach to what constitutes voluntary proceedings.
- Increased emphasis on tribal jurisdiction.

Additionally, the federal regulations create new data elements for reporting. However, work is needed to achieve uniformity of meaning and practice (to achieve reliable data and meet federal reporting requirements). Reporting on these new data elements begins October 1, 2019. Amended regulations and guidance, comprehensive training, and significant levels of consultation with tribes is essential in order to meet these requirements. To achieve these goals, OTA staffing must be adequate for meeting these challenges and avoiding compliance litigation and regulatory penalties. The requested resources would allow the OTA to assist and consult with 109 tribes, engage with 58 counties, and strengthen relationships with additional diverse

stakeholders to meet these goals, as well as provide training to implement consistent data compilation and analysis.

Staff Recommendation:

Hold open.

ISSUE 12: CWS-RELATED HUMAN SERVICES TECHNICAL BCPs**GOVERNOR'S BUDGET CHANGE PROPOSALS**

The following CWS-related Human Services Technical BCPs are part of the Governor's proposed budget:

Child Wellbeing Waiver Project. The Governor's budget includes \$1.6 million (\$454,000 General Fund) in 2019-20 and \$909,000 (\$454,000 General Fund) in 2020-21 to extend limited-term resources for the phase-down of the Child Well-being Waiver Project. Additionally, funding would be used for the project evaluation contract that was funded, but not executed in 2014-15. The requested resources are necessary to administer county funding for the duration of the claiming timeframe following the end of the Project and to support ongoing state negotiations and reconciliations with the Administration for Children and Families grant of supplemental federal funds.

AB 2967 – Ensuring Foster Youth Have Access to Vital Documents. The Governor's budget includes \$122,000 (\$56,000 General Fund) in 2019-20 and \$114,000 (\$52,000 General Fund) in 2020-21 in order to implement AB 2967 (Quirk-Silva), Chapter 551, Statutes of 2018. AB 2967 requires a county welfare agency to verify the eligibility of an applicant requesting a free copy of their birth certificate, based on the qualification of being a current or former foster youth. The requested resources would help address the workload required to provide verification of time in foster care, and assistance in obtaining certified copies of birth certificates for current and former foster youth. Additionally, the Office of the Foster Care Ombudsman (OFCO) anticipates an increase in hotline calls and cases received from current foster youth who wish to work, but whose social worker or caregiver does not provide the required documentation. In these cases, the OFCO must intervene and advocate for the youth.

Staff Recommendation:

Hold open.

This agenda and other publications are available on the Assembly Budget Committee's website at: <https://abgt.assembly.ca.gov/sub1hearingagendas>. You may contact the Committee at (916) 319-2099. This agenda was prepared by Nicole Vazquez.